### Approved For Release 2002/08/21 CIA-RDP85B00236R000100040003-7

6 December 1979

<b>MEMORANDUM</b>	FOR:	Special	Assistant
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Information Management Staff, DDO

25X1A

FROM:

Chief, Classification Review Division, DDA

SUBJECT:

Review of Classified Items in the

Forrestal Diaries

- 1. The Historian for the Office of the Secretary of Defense, Alfred Goldberg, has requested a current review of 13 items in the Forrestal Diaries which remained classified following the CIA review in 1972.
- 2. We have reviewed these items and recommend that the Agency declassify eleven items and retain the classification on two.
- 3. A copy of the items to be reviewed and the related DOD/CIA correspondence are contained in TAB A. The recommended actions and justifications are in TAB B.
- 4. Would you please provide us with your comments on this proposed response to DOD by 13 December 1979.

Attachments:	As stated		

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OSD review(s) completed.

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UNCLASSIFIED WITHOUT ATTACHMENTS

### Approved For Release 2002/08/21 : CIA-RDP85B00236R000100040003-7

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TAB B
6 Dec. 1979
CRD/ISS/DDA

SUBJECT: CIA Proposed Review Actions on Classified

Items in the Porrestal Diaries

Item No.	Action Proposed	Justification
954	Declassifu	Transfer of the functions of the Strategic Services Unit (SSU) to CIG is described in Senate Intell-Igence Activities Report* (Book IV page 14).
958	Declassify	A marginal case exists to require classified protection because of information on personnel strengths of SSU as of April 1946. However, data on personnel transferred from SSU to CIG can be derived from footnote page 14 see reference above.
1219	Declassify	No identifiable security damage since it records an action to absorb atomic engergy intelligence personnel within CIG
1252	Declassify	No security damage in a description of the relations between the Director, CIG and the National Intelligence Authority (NIA).
1275-6	Declassify	No damage in an unclassified skeletonized statement of the objectives of the Central Intelligence Group (CIG)

×	Final Report of the Select Committee to Study Governmenta Operations with respect to Intelligence Activities,	<sup>1</sup> 25X1
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### Approved For Release 2002/08/21 | CIA-RDP85B00236R000100040003-7

TAB B

page 2

Item No.	Action Proposed	Justification
1280	Declassify	Marginal case exists to retain classification on basis of "sources and methods" reference C
		In #1280.) However information In this item would have been non-sensitive even in the context of that specific period.
1458	Declassify	Document cited was declassified in action of 27 January 1978. (CIG Weekly Summary, No. 33, 11 Jan. 1947)
1688	Declassify	No security damage in discussion
(Two item	ms)	of change of authority of Director, CIG in his relation to the NIA.
	Declassify	No security damage about CIG functions for external clandestine operations. Discussion presented on page 14 Book IV Senate Report.
1822	Declassify	Article reviewed and declassified on 22 February 1978 (CIG Special Evaluation, No. 20, 16 Sept. 1947)
1906	Declassify	This item discussed amply on pages 26 and 27 including footnotes Denate Report same reference.
2077	Declassify	CIA survey discussed in last para 25X p. 17 of Senate Report same reference 6

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### Approved For Release 2002/08/21 : CIA-RDP85B00236R000100040003-7



## OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE WASHINGTON, D.C. 20301

November 8, 1979

25X1A

Central Intelligence Agency 211 Key Building Rosslyn, Virginia

25X1A

During the 1972 classification review of the Forrestal Diaries, the Central Intelligence Agency determined that 13 items should not be declassified.

Since that time, this office has received numerous inquiries for information on the withheld material. So far, we have been able to satisfy the historical researchers that the deletions were immaterial to their research project. In view of substantive releases since 1972 and amendments in declassification regulations, it appears advisable to re-review the deleted material.

Attached are the 13 items not declassified by the Central Intelligence Agency in 1972 together with the correspondence on this matter.

The views of the Central Intelligence Agency on the current classification or declassification of this material would be appreciated at the earliest practicable time.

Sincerely,

Alfred Goldberg Historian, OSD

Refue Goldeng

Enclosures Forrestal Diaries pages: 954,958,1219,1252,1275-6, 1280,1458-9,1688,1822-23, 1906,2077,2609,2705-11



#### CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

#### OFFICE OF THE DIRECTOR

10 August 1972

MEMORANDUM FOR: R. A. Winnacker, OSD Historian

SUBJECT : Declassification of the Forrestal Diaries

REFERENCE : Memorandum from Addressee, through

2 May 1972

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Dear Rudy,

- We have completed our review of your request for CIA concurrence in the declassification of the 11 intelligence-related passages from the Forrestal Diaries for the years 1946-47, copies of which you provided us in referenced memorandum. This review disclosed that most of these items consisted not of Forrestal's personal comments on events of the day, but of verbatim extracts from classified intelligence publications of the Central Intelligence Group (CIG), the predecessor of CIA (pp. 1280, 1458-59, and 1822-23), and detailed summaries of the proceedings of the National Intelligence Authority, at that time the senior body of the intelligence community (pp. 954, 958, 1219, 1252, 1275-76, and 1688). We are particularly concerned that in the Diaries, all sessions that were cited except the last one were incorrectly designated as State-War-Navy meetings, as can be ascertained from the official minutes of the NIA. This confusion probably resulted from overlapping membership between the two bodies.
- 2. Having reviewed the request, the Director has ruled that CIA cannot concur in the declassification of the above referenced CIG intelligence reports and the summaries of NIA proceedings. While some of the material

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may on its face appear to be no longer sensitive, it might reveal under specialized scrutiny, significant insights into intelligence sources and methods. In accordance with Executive Order 11652 and the Director's statutory responsibility to protect such sources and methods, the Director therefore regrets that he is unable to agree to the declassification of the documents under consideration.

- 3. No objection is taken to the declassification of Forrestal's notes of 20 July 1946 on his briefing by Admiral Inglis, Chief of Naval Intelligence, concerning the latter's trip through Europe in the early summer of that year (p. 1167). Most of this material was published in the 1951 Viking Press edition of the Diaries (pp. 184-85).
- 4. Nor do we object to release of Forrestal's notes on Senator Hickenlooper's criticism of CIG at the luncheon with Admiral Strauss on 8 July 1947 (p. 1714). We do not construe them as CIG intelligence.
- In summary, CIA does not concur in the downgrading or declassification of Forrestal Diary pages 954, 958, 1219, 1252, 1275-76, 1280, 1458-59, 1688, and 1822-23, but raises no objection to the declassification of pages 1167 and 1714. We appreciate being consulted in the review of the above documents and will be happy to review further requests relating to the Diaries or other classified material relating to CIA and its predecessors.

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CIA Historian	

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# Approved For Release 2002/08/21 : CIA-RDP85B00236R000100040003-7



## OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE WASHINGTON, D. C. 20301

September 7, 1972

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SUBJECT: Review of the Forrestal Diaries

A review of the Forrestal Diaries for the period after September 17, 1947, indicates that the attached six items are of possible interest to the Central Intelligence Agency. The views of your agency on the declassification and release of these items -- as well as the current classification category, if any -- are requested at the earliest practicable time.

R. A. Winnacker Historian, OSD

6 Enclosures: Pages 1906, 1970, 2077, 2603, 2609, and 2705-11

### Approved For Release 2002/08/21: CIA-RDP85B00236R000100040003-7

# CENTRAL INTELLIGENCE AGENCY WASHINGTON, D.C. 20505

12 October 1972

MEMORANDUM FOR: Dr. R. A. Winnacker

Historian, OSD

SUBJECT

25X1A

: Declassification of Six Items from

the Forrestal Diaries

REFERENCE

Memorandum from Addressee to Mr. 7 September 1972

Dear Rudy,

- 1. Review of the six referenced portions of Secretary of Defense James V. Forrestal's Diaries shows that these passages are concerned with a wide variety of intelligence information. It is the judgment of this Agency that the declassification of this information would reveal significant information pertaining to US intelligence sources and methods. This Agency therefore regrets that it cannot at this time concur in the proposed declassification and release of the six referenced passages, namely: Pages 1906, 1970, 2077, 2603, 2609, and 2705-11.
- 2. In response to your question as to the current classification category required by this material we are classifying all six passages as Secret.

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CIA Historian	1

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### Approved For Release 2002/08/21::CIA-RDP85B00236R000100040003-7



# OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE WASHINGTON, D. C. 20301

COMPTROLLER

(Administration)

June 13, 1973

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MEMORANDUM FOI		CIA
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SUBJECT: Declassification of Forrestal Diaries

I am cleaning up the last remaining problems on the declassification of the Forrestal Diaries and, before closing the books, I would appreciate the views of your agency on the following matter.

In a memorandum dated October 12, 1972, your agency decided against the declassification of 6 entries in these Diaries on pages 1906, 1970, 2077, 2603, 2609, and 2705-11.

The deletions of pages 1970 and 2609 might create future problems in view of the material already published in 1951 in the Forrestal Diaries on pages 349 and 512, which might not have been available to your reviewers.

You will note that the gist of the first two paragraphs appears on page 349, and the last paragraph has been cleared by Army. In these circumstances, is release of the entire item feasible?

As for the information on page 2609 of the manuscript, page 512 summarizes the views stated in paragraphs (1) and (2) and the first sentence of paragraph (3). Would it be possible to release page 2609 after deleting everything after the first sentence of paragraph (3)?

And finally there is page 2603, where the channel of transmittal appears to create difficulties. State has no objection to clearing this item which, by the way, is not cited in the 1951 publication. Any new idea?

If you determine that the views of October 12, 1972, should prevail, a telephone call will suffice. If there are any amendments, a memorandum would be appreciated.

SIGNED

R. A. Winnacker Historian, OSD

Enclosures

Approved For Release 2002/08/21 : CIA-RDP85B00236R000100040003-7

Approved For Release 2002/08/21: CIA-RDP85B00236R000100040003-7

# CENTRAL INTELLIGENCE AGENCY WASHINGTON, D.C. 20505

9 July 1973

MEMORANDUM FOR: Dr. R. A. Winnacker

Historian, OSD

SUBJECT : Declassification of Forrestal Diaries

REFERENCE: Your Memorandum of June 13, 1973,

same subject

Rudy:

The referenced memorandum makes iminently good sense. Accordingly, this Agency withdraws its security objections to the paragraphs appearing on page 1970 and to the item appearing on page 2603. This latter item, however, may well be treated as privileged information in view of the less than complimentary ramarks it makes relative to Ambassador Caffery. For this reason, you may wish to continue the withholding of the total item.

We also concur in the release of information on page 2609 of the manuscript. In accordance with your suggestion; namely, paragraphs 1 and 2 in their entirety may be released and the first sentence of paragraph 3. The remainder of paragraph 3 should be deleted.

STATINTL

Records Management Officer

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### 2 April 1946

#### STATE-WAR-NAVY MEETING

A meeting of the Secretaries of State, War, and Navy was held at 11:00 a.m. in the Office of the Secretary of State. Present:

Honorable James F. Byrnes. Secretary of State: Honorable Robert P. Patterson, Secretary of War; Honorable James Forrestal, Secretary of the Navy; Honorable Howard C. Petersen, Assistant Secretary of War; Mr. H. Freeman Metthews, Director, Office of European Affairs, State Department: Captain Robert L. Dennison, USN, Assistant Chief of Naval Operations for Politico-Military Affairs, Navy Department; Mr. Edward Hidalgo, Special Assistant to the Secretary of the Navy.

- Admiral Souers presented a proposal for the gradual liquidation of the SSU unit of the War Department. This proposal sets forth the procedure whereby the Central Intelligence Group would avail itself, if necessary, of the facilities and personnel of SSU which would be completely liquidated by June 1947. The three Secretaries approved this proposal.
- 2. Galapagos. Mr. Byrnes referred to inquiries by the Ecuadoran Ambassador concerning the withdrawal of United States forces from the Galapagos Islands. Mr. Patterson stated that withdrawal could substantially be completed by May 1st and it was agreed that Mr. Byrnes would address a letter to the other two Secretaries calling for a statement as to the date of withdrawal. Mr. Byrnes stated that the U. S. could not retain troops anywhere against the will of the nation affected and that he had so informed Mr. Gromyko in New York during the recent UN meeting.

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STATE STORET

MEETING OF THE SECRETARIES OF STATE, WAR AND NAVY April 2, 1946 --- 11 A. M.

Present:

The Secretary of State

The Scoretery of War, accompanied by Assistant Socretery Petersen

The Becretary of the Navy, accompanied by Captain R. L. Dennison

Admiral Sovers

958

Mr. Metthews

# International Intelligence Authority -- Liquidation of SE

Mr. Fyrnes suggested that the meeting first discuss Admirel Sours' question of policy for liquidation of the Stretegic Services Unit transferred to the War Department from OSS by the Executive Order of September 20, 1945. Admiral Source presented a policy paper on this avetion which he said had the approval of the several Intelligence Chiefs end wes awaiting approved of the National Intelligence Authority. The paper provided for continued liquidation of the Sev and the utilization of its functions until final liquidation by June 30, 1847. He mentioned, in this cornection, the situation in China where General Wedemeyer had called for a special survey. SSU personnel in Chine now approximate 250. Total personnel of 950 is about 2,000 which is being reduced at the rate of about 300 a month. In reply to a question Admiral Souers stated that Mr. J. Fagar Hoover had been very cooperative in the activities of the Central Intelligence Group. With the addition of administrative emendments proposed by the War Department, the rolling paper and draft directive on BST were approved by the three Secretaries and Admiral Souers undertook to obtain admirel Leahy's approval thus completing NIA action thereon. (Jömiral Souers then left the meeting.)

### Galencone Telend Pases

Wr. Pyrnes seld that the Tousdorian Ambassador had Approved for Release 2002/08/21: CIA-RIPESE 00236 F000190040003-7
He said that he considers it very important in connection with the Important discussions before the Security Council

**Next 2 Page(s) In Document Exempt** 

1276

### 25 SEPTEMBER 1946

- 3 -

STATE-WAR-NAVY MTG.

- A. Coordination and evaluation of intelligence related to national security.
- B. Appropriate dissemination of intelligence.
- C. Coordination of State, War and Navy intelligence activities.
- D. Centralization, when and as desired, by the various intelligence agencies of common concern.

Upon his mentioning that Ambassadors would coordinate intelligence metters in their respective areas, Admiral Leahy pointed out that this might prove to be embarrassing to some Ambassadors who otherwise could disclaim knowledge of intelligence activities. General Vandenberg discussed accomplishments of his organization to date and some present and anticipated difficulties concerning which there were indications of satisfactory settlement.

JF:FA:MCR 9/27/46 Next 2 Page(s) In Document Exempt

1688

NATIONAL INTELLIGENCE AUTHORITY

### 26 JUNE 1947

Meeting of the National Intelligence Authority at the Office of the Secretary of State. Present: Marshall, Patterson, Leahy, Sullivan, Peterson, Hillenkoetter, General Chemberlain, Colonel Eddy, Admiral Inglis and myself.

The first question was that of the recommended rescission of the delegation by the NIA -- as of last February 12th -- to the Director of the Central Intelligence Group of authority to act in the name of the NIA without consultation with the agencies of the respective departments comprising the NIA, namely ONI, G-2, State Department Intelligence and FBI. Admiral Hillenkoetter stated that in his opinion this was not necessary and contributed to needless friction with the Inter-Agency Advisory Committee comprised of the appropriate agencies of the Departments named, to deal with precisely the kind of questions for which the February directive of NIA had been designed to meet. There being no dissent, the rescission was ordered.

There was discussion of the question of direct operational activities of the CIG in response to questions by General Marshall, Admiral Leahy and myself. It developed that there was now no objection on the part of either ONI, G-2 or FBI of the centralization of external clandestine operations under the Director of the CIG. Admiral Hillenkoetter however, stated that he thought it was desirable that this be made clear to the responsible publishers and news agencies of the country so that therwould know any rumors or reports to the contrary had no foundation. In response to my question he stated that Colonel Donovan, late head of the OSS; Mr. Hoover, head of the FBI; General Chamberlain, head of G-2, and Admiral Inglis were in accordance with his views on this subject.

JF:FA 6/26/47

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### HICRET

WASHINGTON, D.C. 20301

# Approved For Release 2002/08/21 : CIA-RDP85B00236R000100040003-7 OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE



COMPTROLLER (Administration)

November 8, 1979

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Central Intelligence Agency 211 Key Building Rosslyn, Virginia

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Enclosures Forrestal Diaries pages: 954,958,1219,1252,1275-6, 1280,1458-9,1688,1822-23, 1906,2077,2609,2705-11



### OFFICE OF THE SECRETARY OF DEFENSE WASHINGTON

23 December 1948

### LEMORANDUM FOR THE SECRETARY

SUBJECT: The March "Crisis"

The following is a summary of certain additional information concerning the alleged alarmist intelligence estimate prepared last March:

### Chronology of Events

- ll March. A telegram received by the Army Chief of Staff from General Clay advised of his fears that the Soviets might initiate military action.
- 12 March. & Telegram shown to Army Intelligence Division.

  General Chamberlain had the telegram shown to
  the other agencies concerned and was himself
  inclined to take a pessimistic view of the
  situation.
- 13 March. A neeting was held in Army Intelligence Division at which representatives of all interested agencies were present. General Chamberlain expressed his views as to the danger of war but these views were not concurred in by the other agencies except possibly Air Force although this is not certain.
- 15 March. A meeting was convened by CIA as a result of the meeting on the 13th. All the Intelligence Chiefs and their principal advisors were present. They decided to prepare a brief estimate which would at the same time serve as a reply to the request made by the President to Admiral Hillenkoeter for an estimate of the situation.
- 16 March. The agencies, including CIA, State, Army, Navy and hir Force concurred in a brief estimate sent to the President. This estimate stated that there was no likely danger of war within 60 days.
- 27 March. General Spaatz sent an alert to Air Force Commands in the Northwest and transferred certain air strength

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to Alaska. It is not clear whether this action was based on any specific intelligence estimate.

- 2 April. CIA published an estimate which was an extension of the brief statement of 16 March. All other agencies except Air Force concurred in this estimate. Air Force held that it was impossible to project any estimate beyond a 60-day period and that the danger of war should not be minimized.
- 20 April. Air Force Intelligence issued an estimate for Air Force circulation only, reviewing the world situation and restating the impossibility of making a categorical statement as to the unlikelihood of war.

### Interview with Admiral Inglis (Naval Intelligence)

In his meetings with the Eberstadt Committee and the Dulles Committee, Admiral Inglis referred to the March events as an example of how intelligence estimates could be reconciled through the procedures developed under CIA. He pointed out to both groups (I was present at one meeting and have seen the report of the other meeting) that in March there was an atmosphere of crisis, that one Service in particular was inclined to be very pessimistic but that the various views were reconciled and a coordinated estimate submitted to the President. Admiral Inglis did not name to either Committee the Service he had in mind. He told me that if he had named a Service it would have been Army, not Air Force.

### Interview with General Cabell (Air Force Intelligence)

General Cabell said that there is no evidence that the Air Force prepared an alarmist estimate as a result of General Clay's telegram. He said that the Air Force had, however, been reluctant to subscribe to any estimate which discounted the possibility of war. They had, however, concurred in the March 16 estimate that saw no war for the maxt 60 days.

General Cabell indicated that he suspected that the report attributing the "false estimate" to the Air Force had been deliberately planted. He suggested that this had been done by the Navy and cited some circumstantial evidence to support this view.

However, General Cabell said that he was trying to dissuade Mr. Symington from issuing a public disclaimer of responsibility on the grounds that it might be proved that an incorrect estimate had, in fact, been prepared somewhere in the Air Force.

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Relevant to the above is also the fact that various published reports have appeared (for example, the Saturday Evening Post article of 20 November 1948) giving to CIA the credit for having submitted a correct estimate at a time when the other agencies were inclined to be alarmist. Hanson Baldwin, in his New York Times article on 23 July 1943, referred as follows: "Another mistake now currently being made — exemplified in the February and March 'crises' when the CIA was right but General Clay and the Army were wrong — was a mistake constantly made during war time, the confusion of 'enemy capabilities' with 'enemy intentions' ".

Robert Blum

EXCENPTS FROM TELEPHONE CONVERSATION BETAMEN COLONEL WOOD, AND LH. F. EBERSTADT

### 22 December 1948

COLONEL WOOD: I know you want to get the dust of Washington out of your hair. The Secretary asked he to call you, however, in connection with a paragraph in your Report which has caused some press comment, which I rather think you can identify. The Air Force, who has been identified by certain newspaper people as being the party to which you probably had reference, are considerably disturbed because they think they are not. In our research here we have uncovered some information which might lead to either one of the Departments, but we are unable to determine which particular incident or estimate you people had in mind. Can you help me out, sir?

LR. EBENSTADT: I could help you out to this extent. The people who testified before us testified in confidence and ... wouldn't disclose what they said in the sense of ... ... in any way, but if I were the Air Force, I wouldn't be too disturbed about that.

COLONEL WOOD: They are not the people you had in mind then, Sir?

IR. FBERSTADT: Well, they're not the ones I have in mind, no. and I think that I just won't get in the position of disclosing sources of who said it and what it is. I, myself, was rather surprised when I heard it was the Air Force.

COLOREL WOOD: I think that will help me out, Mr. Eberstadt.

IF. FBRASTADT: You can nail whom it was without an awful lot of trouble. Do you know what I mean?

COLONEL WOOD: Yes, sir, I think I know what you mean all right.

1R. EFERSTADT: Don't connect me with it in any way and I'll tell you personally, and off the record, we did not have the Air Force in mind.

COLONEL WOOD: All right, Sir.

IR. FBERSTADT: But I don't want to be quoted on the thing in any way. It was another group and it should not be —— and I won't say who told us and how we found out, and so forth, but I will tell you for their comfort, and entirely personally and informally, that it was not that outfit that I had in mind.

COLONEL WOOD: All right, Sir, I will not quote you at all, but I will, of course, pass on to the Secretary my instruction.

IH. EBERSTADT: I think that without too much research you could probably find out whose estimates those. We didn't even say one of the Military Services did we?

COLONEL WOOD: Yes, you said by a departmental intelligence agency - it doesn't say military.

IR. EBEKSTADT: That might be the State Department.
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IR FERRITADT: We didn't necessarily say it was the Military, you see?

COLCHEL WOOD: Yes, Sir.

LP. EBERSTADT: The Commerce Department has an intelligence, and the Department of Justice has an intelligence, and the State Department has an intelligence. You see, we were very vague on that.

COLONEL WOOD: All right, thank you, Sir. Have a good trip, Sir.



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EXCERPTS FROM TELEPHONE CONVENSATION BETWEEN COLONEL WOOD, AND LR. F. EBEKSTADT

#### 22 December 1948

LR. EBERSTADT: Colonel, just thinking back over our remarks, I'm not sure that the outfit you mentioned may not also have participated. Do you see?

COLONEL WOOD: Yes, Sir.

LR. EBERSTADT: I'm not sure they may not also have participated, but they were not in my opinion the primary mover, but I'm not sure that they were not active participants - on that I can't really talk. And I thought that my talk with you before might be ... in the lines of exclusion, do you see?

COLONEL WOOD: Yes, Sir.

IR. EBERSTADT: And what I say to you is all personal and confidential. They were not the primary mover. Do you see?

COLONEL WOOD: Yes, Sir. Well, that's a good phrase, Sir.

LR. EBERGTADT: They were not necessarily the primary mover, but they may well have been active participants. But I don't want to name anybody. Don't you quote me in any way on the thing because I want to be very scrupulous in living up to our obligations to those who testified before our Committee.

COLUMEL WOOD: I understand, Sir.

MR. EBERSTADT: Maybe I ought to have said nothing to you about it at all, but I didn't want to be lacking in frankness, and I put it to you this way: that in my opinion they were not the primary mover, but they may have been involved in it. I do not want by my remarks necessarily to exonerate them entirely because I'm not sure that they deserve to be exonerated. Do you see?

COLOMEL WOOD: Yes, Sir, I get the pitch. Thank you, Sir.

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### Approved For Release 2002/08/21 : CIA-RDP85B00236R000100040003-7

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TAB B 6 Dec. 1979 CRD/ISS/DDA

SUBJECT: CIA Proposed Review Actions on Classified

Items in the Perrestal Diaries

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1275-6	Declassify	No damage in an unclassified skeletonized statement of the objectives of the Central Intell- nence Group (CIG)

<sup>\*</sup> Final Report of the Delect Committee to Study Governmental Operations with respect to Intelligence Activities, US Senate Report No. 94-755, Book IV History of the Central Intelligence Agency (prepared by

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### Approved For Release 2002/08/213 CHA-RDP85B00236R000100040003-7

TAB B

page 2

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(Two items)		of change of authority of Director, CLG in his relation to the NIA.	
	Declassify	No security damage about CIG functions for external clandestine operations. Discussion presented on page 14 Book IV Senate Report.	
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2077	Declassify	(IA survey discussed in last para   17 of Senate Report same reference	25X _6

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### OFFICE OF THE SECRETARY OF DEFENSE

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#### LIMURANDUM FOR THE SECRETARY

SUBJECT: The March "Crisis"

The following is a summary of certain additional information concerning the alleged alamist intelligence estimate prepared last March:

### Chricrology of Events

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  the other agencies concerned and was himself
  inclined to take a pessimistic view of the
  situation.
- 13 March. A nesting was held in Army Intelligence Division at which representatives of all interested agencies were present. General Charberlain expressed his views as to ine danger of war but these views were not concurred in by the other agencies except a possibly Air Force although this is not certain.
- 15 March. A meeting was convened by CIA as a result of the meeting on the 13th. All the Intelligence Chiefs and their principal advisors were present. They decided to propare a brief estimate which would at the same time serve as a reply to the request made by the President to Admiral Hillenkoeter for an estimate of the situation.
- 16 March. The agencies, including CIA, State, Army, Navy and hir Force concurred in a brief estimate sent to the Precident. Inls estimate stated that there was no likely danger of war within 60 days.
- 27 March. General Symmets sent an alert to Air Force Commands in the Northwest and transferred certain air strength

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to Alaska. It is not clear whether this action was based on any specific intelligence estimate.

- 2 April. CIA published an estimate which was an extension of the brief statement of 16 March. All other agencies except Air Force concurred in this estimate. Air Force held that it was impossible to project any estimate beyond a 60-day period and that the danger of war should not be minimized.
- 20 April. Air Force Intelligence issued an estimate for Air Force circulation only, reviewing the world situation and restating the impossibility of making a categorical statement as to the unlikelihood of war.

### Interview with Admiral Inclis (Naval Intelligence)

In his meetings with the Eberstadt Committee and the Dulles Cormittee, Admiral Inglia referred to the March events as an example of how intelligence estimates could be reconciled through the procedures developed unter CIA. He pointed out to both groups (I was present at one meeting and have seen the report of the other meeting) that in March there was an atmosphere of crisis, that one Service in particular was inclined to be very pessimistic but that the various viets were reconciled and a coordinated estimate submitted to the President. Admiral Inglis did not name to either Committee the Darvice he had in mind. He told me that if he had named a Service it would have been Army, not Air Force.

### Interview with General Cabell (Air Force Intelligence)

General Cabell said that there is no evidence that the Air Force prepared an alarmist estimate as a result of General Clay's telegram. He said that the Air Force had, however, been reluctant to subscribe to any estimate which discounted the possibility of war. They had, however, concurred in the March 16 estimate that saw no war for the naxt 60 days.

General Cabell indicated that he suspected that the report attributing the "false estimate" to the Air Force had been deliberately planted. He suggested that this had been done by the Navy and cited some circumstantial evidence to support this view.

However, General Cabell said that he was trying to dissuade Mr. Symington from issuing a public disclaimer of responsibility on the grounds that it mught be proved that an incorrect estimate had, in fact, been prepared somewhere in the Air Force.

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Relevant to the above is also the fact that various published reports have appeared (for example, the Saturday Evening Post article of 20 November 1948) giving to CIA the credit for having submitted a correct estimate at a time when the other agencies were inclined to be alarmist. Hanson Baldwin, in his New York Times article on 23 July 1949, referred as follows: "Another mistage new currently being made — exemplified in the February and March 'crises' when the CIA was right but General Clay and the Army were wrong -- was a mistake constantly made during war time, the confusion of 'energy capabilities' with 'enemy intentions' ".

Robert Blum

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ANGELETS FROM TALEPHONE CONVERSATION GETWEEN COLONEL WOOD, AND LR. F. HERSTADT

#### 11 Chember 1948

COLONEL WOOD: I know you want to get the dust of Washington out of your hair. The Secretary asked he to call you, however, in connection with a paragraph in your Report which has caused some press comment, which I rather think you can identify. The Air Force, who has been identified by certain newspaper people as being the party to which you probably had reference, are considerably disturbed because they think they are not. In our research here we have uncovered some information which might lead to either one of the Departments, but we are unable to determine which particular incident or estimate you people had in mind. Can you help me out, sir?

LR. EBENSTADT: I could help you out to this extent. The people who testified before us testified in confidence and ... wouldn't disclose what they said in the sense of .... in any way, but if I were the Air Force, I wouldn't be too disturbed about that.

COLOREL WOOD: They are not the people you had in mind then, Sir?

IR HEEPSTADT: Well, they're not the ones I have in mind, no. and I think that I just won't get in the position of disclosing sources of who said it and what it is. I, myself, was rather surprised then I heard it was the Air Force.

COLOUGH WOOD: I think that will help me out, Mr. Eberstadt.

ID: IBHRSTADT: You can nail whom it was without an awful lot of trouble. Do you know what I mean?

CCLONEL WOOD: Yes, sir, I think I know what you mean all right.

Personally, and off the record, we did not have the air Force in mind.

COLONEL WOOD: All right, Sir.

III. INCLUDE: But I don't want to be quoted on the thing in any way. It was another group and it should not be —— and I won't say who told us and how we found out, and so forth, but I will tell you for their comfort, and entirely personally and informally, that it was not that outfit that I had in mind.

COLOURL WOOD: All right, Sir, I will not quote you at all, but I will, of course, pass on to the Secretary ar instruction.

11. HERESTADT: I think that without too much research you could probably find out whose estimates those. We didn't even say one of the Military Service did we?

COLONEL WOOD: Yes, you said by a departmental intelligence agency - it doesn't say military.

That is correct. Sir.

the Historian Carl Serie

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IR. EDN:STADT: We didn't necessarily say it was the Military, you see?

COLCUEL WOOD: Yes, Sir.

LP. EBERSTADT: The Commerce Department has an intelligence, and the Department of Justice has an intelligence, and the State Department has an intelligence. You see, we were very vague on that.

COLOMEL WOOD: All right, thank you, Sir. Have a good trip, Sir.

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EXCERPTS FROM TALEPHONE CONVENSATION BETWEEN COLONEL WOOD, AND ER. F. EBERSTADT

### 28 December 1948

MR. EBENSTADT: Colonel, just thinking back over our remarks, I'm not sure that the outlit you mentioned may not also have participated. Do you see?

COLONEL WOOD: Yes, Sir.

MR. EBERSTADT: I'm not sure they may not also have participated, but they were not in my opinion the primary mover, but I'm not sure that they were not active participants - on that I can't really talk. And I thought that my talk with you before might be ... in the lines of exclusion, do you see?

COLONEL WOOD: Yes, Sir.

IR. IPERSTADT: And what I say to you is all personal and confidential. They were not the primary nover. Do you see?

COLONEL WOOD: Yes, Sir. Well, that's a good phrase, Sir.

LR. EDENCTADT: They were not necessarily the primary mover, but they may well have been active participants. But I don't want to name anybody. Don't you quote me in any way on the thing because I want to be very scrupulous in living up to our obligations to those who testified before our Committee.

COLONEL MOOD: I understand, Sir.

but I didn't want to be lacking in frameness, and I put it to you this way: that in my opinion they were not the primary mover, but they may have been involved in it. I do not want by my remarks necessarily to exonerate them entirely because I'm not sure that they deserve to be exonerated. Do you see?

CULOMEL WOOD: Yes, Sir, I get the pitch. Thank you, Sir.

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